



# ELEVATION CAPITAL® VALUE FUND

The Fund is a Portfolio Investment Entity (PIE) that seeks to provide investors with long-term capital growth and income by directly investing in equities on a global basis, while at the same time adhering to a "Margin of Safety" investment philosophy. The strategy of the Value Fund is to primarily invest in equity securities trading at a discount in relation to their net asset value/intrinsic value\*, with low debt levels\*\*, and which have a consistent history of paying dividends and/or returning capital to shareholders.

\* Net Asset Value / Intrinsic Value – is also referred to as "Private Market Value". Collectively we define them as the value an informed buyer would pay to purchase assets with similar characteristics. We measure Net Asset Value / Intrinsic Value or Private Market Value by scrutinising on and off balance sheet assets, liabilities and free cash flow. We also examine valuations and transactions in the public domain to formulate our view of possible future value.

\*\* Low Debt Levels – can be assessed relative to tangible and/or intangible assets, free cash flow, the industry in which a company operates, or versus peers within an industry.

## KEY INFORMATION AS AT 31 AUGUST 2016

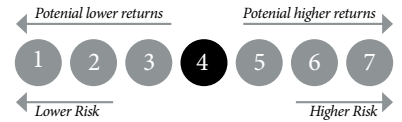
### APPLICATION PRICE

# NZ\$1.4495

### TOP 5 POSITIONS

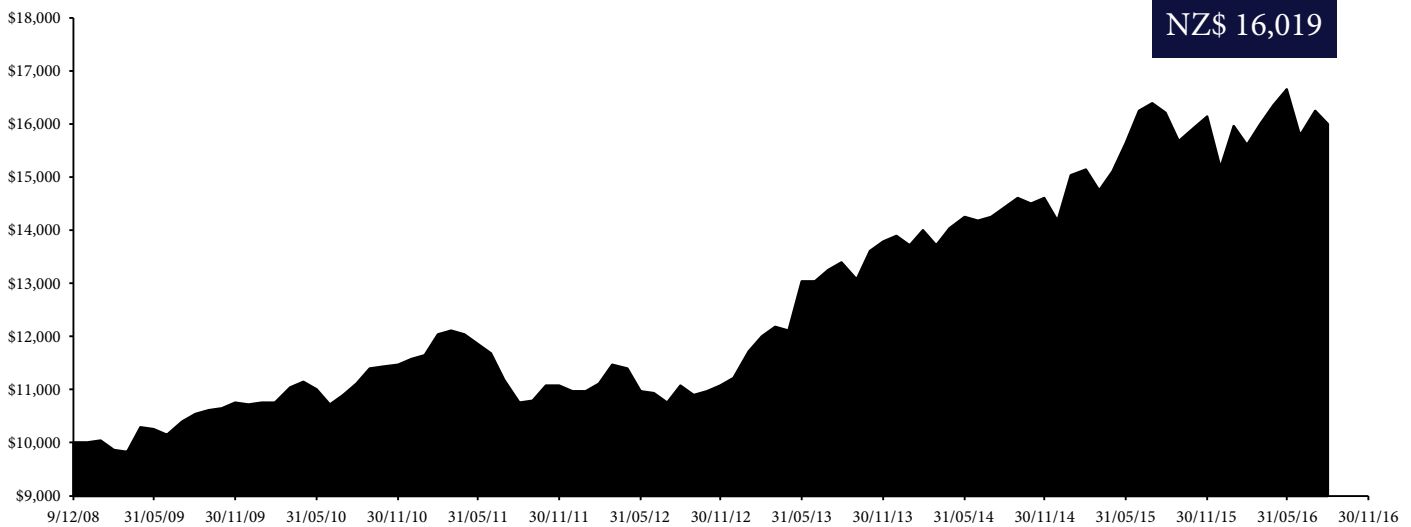


### FUND RISK INDICATOR



\* The historical returns data used to calculate the level of risk may not constitute a reliable indicator of the future risk profile of the Fund. The risk category associated with this fund is not guaranteed and can change over time. No benchmark data has been used in this calculation.

## VALUE OF NZ\$ 10,000 INVESTED (INCLUDING DISTRIBUTIONS)



## HISTORICAL PERFORMANCE & AVERAGE CASH BALANCE

Performance	1 Month	FYTD*	CYTD**	2 Years Annualised	3 Years Annualised	5 Years Annualised	7 Years Annualised	Since Inception Annualised
Value Fund Net' NZ\$	-1.54%	0.05%	5.61%	5.39%	6.10%	8.29%	6.17%	6.28%
Value Fund Net' US\$**	-0.95%	4.54%	11.92%	-1.88%	3.85%	4.90%	7.06%	9.67%
Average Cash Balance***	-	20.34%	18.09%	18.28%	20.70%	19.83%	23.64%	27.27%
NZ Domiciled Investor Returns based on Prescribed Investor Rate (PIR):								
0% PIR Return	-1.54%	0.17%	5.79%	5.70%	6.38%	8.75%	n/a	6.71%
10.5% PIR Return	-1.53%	0.19%	5.74%	5.36%	6.13%	8.43%	n/a	6.41%
17.5% PIR Return	-1.52%	0.21%	5.73%	5.13%	5.96%	8.20%	n/a	6.25%
28%**** PIR Return	-1.51%	0.26%	5.70%	4.78%	5.72%	7.88%	n/a	5.99%

\* Net of fees, expenses and taxes (accrued in the Fund).

\*\* USD performance numbers are calculated using spot FX rates (at month end) and are provided for informational purposes only.

\*\*\* The Fund does not have a USD unit price at this time. (FX Rate Source: MMC Limited - Fund Administrator)

\*\*\*\* The average cash balance calculation is based on month end data from the Fund Administrator (MMC Limited) reports.

\*\*\*\*\* 28% is effective from 30 September 2010. Prior to that 30% from 31 March 2008 and 33% prior to that.

\*\* Financial year to date (FYTD) for year beginning - 1 April 2016.

\*\* Calendar year to date (CYTD) for year beginning - 1 January 2016.

All performance returns detailed above are calculated using exit price to exit price, net of taxes and ongoing fees, but excluding entry costs (if any) and any individual taxes. The returns include reinvestment of all distributions. The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate, so that an investor's units in the Fund, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.

FUND DATA

**NZ\$ 23.79M**  
FUND SIZE

**NEW ZEALAND**  
DOMICILE

**9 DECEMBER 2008**  
INCEPTION DATE

**NIL (UNHEDGED)**  
FX HEDGING

**29**  
NUMBER OF HOLDINGS

**10**  
NUMBER OF COUNTRIES

**NZ\$ 5.0B**  
WEIGHTED MEDIAN MARKET CAP\*\*

**32.98%\***  
AVERAGE PORTFOLIO TURNOVER SINCE INCEPTION

**99.18%\*\*\***  
ACTIVE SHARE\*\*

**2.75%**  
GROSS DIVIDEND YIELD\*\*

**0.98x**  
TOTAL DEBT-TO-EQUITY\*\*

\* Last 12 months = 66.67% \*\* Source: Thomson Reuters Eikon

\*\*\* It is the proportion of security holdings in the Fund's composition that is different from the composition found in iShares MSCI ACWI ETF Fund (It is 99.1% vs iShares MSCI World UCITS ETF Fund).

FUND HOLDINGS

Company	Domicile	% of Portfolio	Year First Purchased	Change in Holding This Month	Presentation on Website	Company	Domicile	% of Portfolio	Year First Purchased	Change in Holding This Month	Presentation on Website
<b>APN OUTDOOR</b>		4.00%	2016	★		<b>AMC NETWORKS</b>		2.68%	2016	—	
<b>TIFFANY &amp; CO.</b>		3.93%	2012	↓	●	<b>SWATCH GROUP</b>		2.61%	2014	—	
<b>Time Warner</b>		3.63%	2015	↓		<b>MSG NETWORKS</b>		2.53%	2015	↓	
<b>DAIMLER</b>		3.61%	2016	—		<b>DIAGEO</b>		2.40%	2014	↓	●
<b>Edgewell™ PERSONAL CARE</b>		3.59%	2015	↑		<b>DUFRY</b>		2.37%	2016	—	
<b>SCHOLASTIC</b>		3.49%	2013	↓	●	<b>Acos Dorados</b>		2.22%	2014	↓	●
<b>pental</b>		3.45%	2014	—	●	<b>HEINEKEN</b>		1.95%	2013	↓	
<b>VIACOM</b>		3.27%	2014	↑	●	<b>Time Inc.</b>		1.63%	2014	↓	
<b>Discovery COMMUNICATIONS™</b>		3.25%	2015	↓	●	<b>skyline Enterprises</b>		1.46%	2009	—	●
<b>Contact</b>		3.24%	2016	★		<b>OAKTREE</b>		1.27%	2016	★	
<b>DeLaRue</b>		3.21%	2015	↓	●	<b>JIMMY CHOO</b>		0.28%	2009	—	
<b>TOD'S</b>		3.11%	2014	—	●	<b>Nestlé</b>		0.05%	2011	—	●
<b>Tribune Media</b>		3.09%	2015	↓		<b>Mondelēz International</b>		0.03%	2012	—	●
<b>COACH</b>		2.98%	2015	↓	●	<b>JCDecaux</b>		0.02%	2016	—	
<b>Givaudan</b>		2.82%	2015	—		Cash		27.83%		↑ (up from 16.83%)	

The maximum position size permitted within the Fund is equivalent to 5.00% of Net Asset Value.

★ New Position    ↑ Increased Position    ↓ Decreased Position    — No Change

EXITED POSITIONS THIS PAST MONTH

**RICHEMONT**  
**+11.2%**  
ANNUALISED RETURN (CHF)  
**0.6YR**  
HOLDING PERIOD

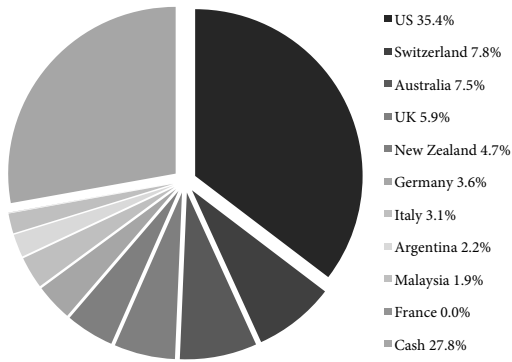
**KERING**  
**+18.3%**  
ANNUALISED RETURN (EUR)  
**0.9YRS**  
HOLDING PERIOD

**P&G**  
**+14.3%**  
ANNUALISED RETURN (USD)  
**1.2YRS**  
HOLDING PERIOD

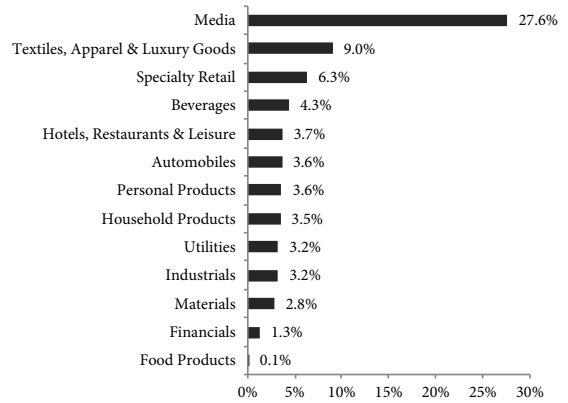
**starz**  
**+54.6%**  
ANNUALISED RETURN (USD)  
**0.5YRS**  
HOLDING PERIOD

**Chesapeake ENERGY**  
**US\$282K**  
LOSS  
**4.5YRS**  
HOLDING PERIOD

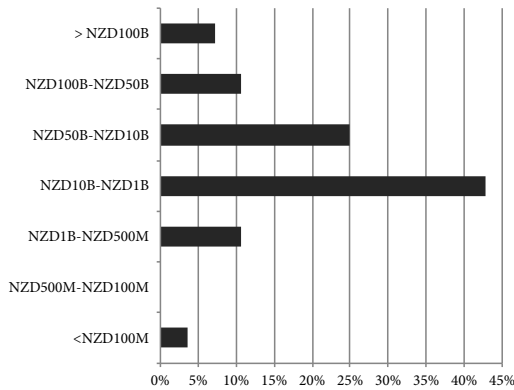
**PORTFOLIO BY COUNTRY**



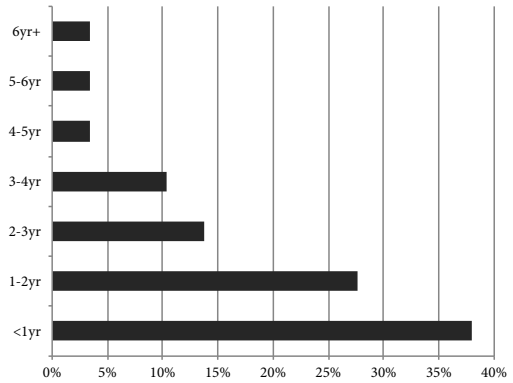
**PORTFOLIO BY INDUSTRY**



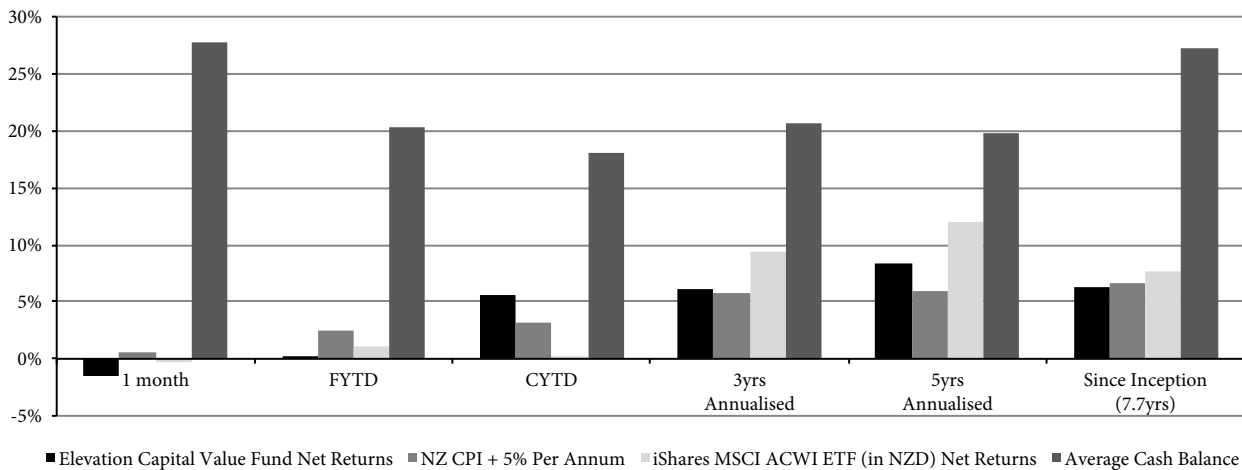
**PORTFOLIO BY MARKET CAP**



**PORTFOLIO BY HOLDING PERIOD**



**FUND PERFORMANCE VS. NZ CPI+5% PER ANNUM & ISHARES MSCI ACWI ETF FUND**



For comparative purposes we have detailed two informational benchmarks we consider relevant to underlying (and prospective) investors in the Value Fund. These are NZ CPI + 5% per annum which we believe highlights to investors whether we are preserving and growing their real purchasing power overtime and the iShares MSCI All Country World Index (ACWI) Exchange Traded Fund (ETF) in NZD terms. We realise investors have a choice of investment managers and increasingly exchange traded funds (ETF's), and as such we publish these comparatives for your assessment purposes. It is important to consider that our portfolio does not track or follow any index (refer the Funds Active Share statistics on page 2), and we consistently operate with conservative cash levels. We would also highlight that these two informational benchmarks are not provided for performance fee calculations as there are no performance fees charged or payable within/by the Fund.

NZ CPI data sourced from Statistics NZ.

iShares MSCI ACWI ETF is an exchange traded fund (ETF) that aims to track the performance of the MSCI ACWI Index as closely as possible.

The performance numbers of iShares MSCI ACWI ETF (NZD) are calculated based on iShares MSCI ACWI ETF "NAVs" obtained from <http://www.ishares.com/us/products/239600/ishares-msci-acwi-etf> and adjusted for distributions, and converted to NZD based on month-end f/x rates used by Elevation Capital.

The average cash balance calculation is based on month end data from the Fund Administrator (MMC Limited) reports.

## HISTORICAL PERFORMANCE & AVERAGE CASH BALANCE

Paid as at 31 March	2016	2015	2014	2013	2012
Cents Per Unit	3.55	3.50	2.625	2.50	1.10
Reinvestment Rate	71%	70%	62%	49%	43%

Annual Yield = 2.45%, based on current Application Price.

## TOTAL EXPENSE RATIO & FEES

Year Ending - 31 March	2016	2015	2014	2013	2012
Average Funds Under Management	NZ\$ 20,680,619	NZ\$ 13,820,756	NZ\$ 11,626,062	NZ\$ 14,583,474	NZ\$ 11,818,561
Total Expense Ratio* (%)	1.98%	2.19%	2.04%	1.97%	1.89%
Total Management and Administration Charges	NZ\$ 409,770	NZ\$ 302,056	NZ\$ 237,727	NZ\$ 286,809	NZ\$ 222,971
- Manager's Basic Fee	NZ\$ 262,284	NZ\$ 175,616	NZ\$ 147,739	NZ\$ 185,309	NZ\$ 130,585
- Other Management & Administration Charges	NZ\$ 147,486	NZ\$ 126,440	NZ\$ 89,988	NZ\$ 101,500	NZ\$ 92,386
Performance-Based Fees	Nil	Nil	Nil	Nil	Nil

All data based on audited accounts

All Fees charged by Elevation Capital Management Limited, the Trustee and the Fund Administrator are detailed in the Investment Statement, Prospectus and Establishment Deed.

All of which are available at [www.elevationcapital.co.nz](http://www.elevationcapital.co.nz) or on request free of charge from the Manager.

\* Total Expense Ratio Definition: Total Expense Ratio (TER) expresses the expense ratio for a fund or unit of a fund against the average NAV (of the fund or unit respectively) over a given period in the past. The TER should reflect the past record, and should not be an estimate for the present or future. In other words, the TER is the annual percentage reduction in investor returns that would result from operating costs if markets were to remain flat and the fund's portfolio were to be held and not traded during a period.

## MANAGEMENT FEE SCALE

NAV of the Fund (NZ\$)	<\$25m	\$25m - \$30m	\$30m - \$35m	\$35m - \$40m	\$40m - \$45m	\$45m - \$50m	>\$50m
Management Fee	1.25%	1.20%	1.15%	1.10%	1.05%	1.00%	0.95%

(% pa of the Net Asset Value of the Fund)

## ADDITIONAL INFORMATION

Trustee/Supervisor: Public Trust  
Administrator: MMC Limited  
Custodian: Public Trust  
Sub-Custodian: BNP Paribas  
Auditor: KPMG  
Tax Advisor: EY

Entry / Exit Fees: Nil  
Performance Fees: Nil  
Distribution Policy: Annually  
at Manager's Discretion  
Minimum Initial Investment: NZ\$ 5,000  
Minimum Regular Contribution: NZ\$ 100  
(Monthly / Quarterly / Annually)  
Redemption Terms: Monthly  
(with 1 business day notice)

Directors & Executives Holdings in Fund (incl. Associates)\* = 1,021,351 units / NZ\$ 1,503,633  
Executives making monthly regular contributions\*: 4/4

\* Based on unit holdings as at 6 August 2016

## RISK DISCLOSURE STATEMENT

Elevation Capital Management Limited is a Registered Financial Service Provider in New Zealand in accordance with the Financial Service Providers (Registration and Disputes Resolution) Act 2008 -- FSP # 9601.

Elevation Capital Management Limited does not provide personalised investment advisory services to the public. Nothing herein should be construed as a general advertisement of investment advisory services or a solicitation of prospective clients for investment advisory services. The information herein is intended solely to provide certain background information about the Elevation Capital Value Fund.

The information contained in this report has been prepared solely for informational purposes. It is not an offer to buy or sell or a solicitation of an offer to buy or sell units in the Elevation Capital Value Fund, a recommendation of any security or to participate in any trading strategy. If any offer of units in the Elevation Capital Value Fund is made, it shall be pursuant to a definitive Investment Statement and Prospectus prepared by or on behalf of the Elevation Capital Value Fund.

Any decision to invest in the Elevation Capital Value Fund should be made only after reviewing the definitive Investment Statement and Prospectus (available free of charge at [www.elevationcapital.co.nz](http://www.elevationcapital.co.nz) or by contacting Elevation Capital Management Limited, PO Box 911145, Victoria Street West, Auckland 1142, New Zealand), conducting such investigations as the investor deems necessary and consulting the investor's own investment, legal and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the Elevation Capital Value Fund.

International investments involve special risks, including currency fluctuations, lower

liquidity, different accounting methods, economic and political systems. These risks are typically greater in emerging markets.

The Elevation Capital Value Fund may invest a significant portion of its assets in the stocks of small and medium-sized companies, which tend to be more volatile and less liquid than those of large companies, may have underperformed the stocks of larger companies during some periods and tend to have a shorter history of operations than larger companies. Potential investment risks are discussed in the Investment Statement and Prospectus. These documents are both available free of charge on request or can be accessed at [www.elevationcapital.co.nz](http://www.elevationcapital.co.nz).

All performance data, fee data, portfolio composition data and risk targets contained in this report are subject to revision by Elevation Capital Management Limited and are provided solely as a guide to current expectations. There can be no assurance that the Elevation Capital Value Fund will achieve any targets or that there will be any return on or of capital. Elevation Capital Management Limited, its directors, employees and agents believe that the information herein is correct at the time of compilation; however they do not warrant the accuracy of the information. Save for any statutory liability which cannot be excluded, Elevation Capital Management Limited further disclaims all responsibility or liability for any loss or damage which may be suffered by any person relying on any information or any opinions, conclusions or recommendations contained herein whether that loss or damage is caused by any fault or negligence on the part of Elevation Capital Management Limited, or otherwise.

Past performance is not an indication of future results.